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LB 664

PRESIDENT MAURSTAD: Senator Bourne, you're recognized to open on your amendment to LB 664.

SENATOR BOURNE: Thank you, Mr. President. Members, this amendment is similar to the amendment that we saw on General File to this bill and, as you recall, the bill would allow municipalities to pool for purposes of health insurance, and this amendment simply takes out or it...it limits the agencies or groups that can pool. It would say then, after "agencies", it would insert, other than school districts, ESUs, community colleges, and the Nebraska state colleges. We had had a lengthy discussion on this on General File and the reason I refiled this amendment is because I think that there was some confusion and perhaps some misconceptions or misperceptions about what exactly this pooling arrangement does. And if you recall on the General File argument or debate, we had discussed in great detail the jeopardy to the teachers' alliance pool that this new pooling agreement would have, and I thought that what I would try to do is kind of go back through some of the arguments that were made on the floor and kind of reiterate some of those and tell why there might be some factual discrepancies. I wanted to kind of give you an example of what would happen if LB 664 was passed with my amendment. LB 664, if passed with the amendment: municipalities would still be able to pool; two or more cities or public entities or agencies would go together for the purchase of insurance; but they could not force the school districts to break out of the teachers' alliance plan and go with them. And, if you remember, the big concern on General File was the problem of adverse selection and, as you remember, that is when the school boards or the municipalities would compel the teachers to leave the 70,000 person teacher alliance, that has been in effect since 1968, and they would form their own group. And as we talked about extensively on General File, originally these municipalities would probably enjoy a lower rate but, in time, the pool itself would fracture and the rates would go up, utilization would go up, and 70,000 people's insurance would be rendered unstable. So, as I mentioned, if the bill, LB 664 is adopted with my amendment, municipalities will still be able to pool; it will still be voluntary. There's no impact to the municipalities and their ability to pool other